

Before the
STATE OF ILLINOIS
COMMERCE COMMISSION

Application of)	
Net2000 Communications Services, Inc.)	
for a Certificate of Authority to Provide)	Docket No. 00-0226
Local Telecommunications)	
Services in the State of Illinois)	

PRE-FILED TESTIMONY OF
ANTHONY HANSEL
COUNSEL
NET2000 COMMUNICATIONS SERVICES, INC.

OFFICIAL FILE

ILL. C. C. DOCKET NO. 00-0226

Applicants Exhibit No. 1

Witness _____

Date 4-13-00 Reporter Tgb

1 **Q. Please state your name, title and business address for the record.**

2 **A.** My name is Anthony Hansel. I am employed by Net2000 Communications Services, Inc.
3 ("Net2000") as Counsel. My business address is Net2000 Communications Services,
4 Inc., 2180 Fox Mill Road, Herndon, Virginia 20171.

5 **Q. On whose behalf are you testifying in this proceeding?**

6 **A.** I am testifying on behalf of Net2000 Communications Services, Inc.

7 **Q. What is the purpose of your testimony?**

8 **A.** The purpose of my testimony is to support the Application of Net2000 for authority to
9 provide local exchange services in the State of Illinois.

10 **Q. Is Net2000 authorized to do business in Illinois?**

11 **A.** Yes. A copy of the qualifying documents have been provided to the Commission as
12 *Exhibit B* to the Application.

13 **Q. Please briefly describe the Applicant**

14 **A.** Net2000 is a Delaware corporation headquartered at 2180 Fox Mill Road, Herndon,
15 Virginia 20171. Net2000 is a wholly-owned subsidiary of Net2000 Communications,
16 Inc. Net2000 is a rapidly growing, innovative provider of state-of-the-art broadband
17 telecommunications services. As a competitive telecommunications provider, Net2000
18 offers cutting-edge, responsive solutions to customers located throughout the mid-
19 Atlantic and northeastern regions. Net2000 offers an integrated package of high-speed
20 data services, Internet services, local telephone services and long distance services.

1 **Q. Please describe the authority for which Net2000 has applied.**

2 **A.** Net2000 seeks authority to operate as a provider of resold and facilities-based local
3 exchange services in the State of Illinois.

4 **Q. In what geographic area does the Applicant intend to provide services?**

5 **A.** Applicant plans to provide local exchange services in any areas of the state in which the
6 Commission has authorized the provision of local exchange service on a competitive
7 basis.

8 **Q. Does Net2000 intend to provide its own operator services?**

9 **A.** To the extent that Net2000 provides operator services, Net2000 anticipates that it will
10 provide these services through its underlying carriers.

11 **Q. Does Net2000 intend to provide 900 or 700 number services?**

12 **A.** No, it does not.

13 **Q. Is Net2000 financially qualified to provide the local services it proposes within**
14 **Illinois?**

15 **A.** Yes. Throughout our history, Net2000 has been very successful in raising capital in a
16 very challenging financial environment, validating the strength of our product offerings
17 and management team. A copy of Net2000's audited financial statements have been
18 submitted to the Commission with the Application.

1 **Q. Is Net2000 managerially qualified to provide the local services it proposes within**
2 **Illinois?**

3 **A. Yes. Net2000 will be managed by persons with extensive experience in the**
4 telecommunications industry. Biographical information for key management and
5 operational personnel has been submitted with the Application as *Exhibit C*.

6 **Q. Is Net2000 prepared to file tariffs and otherwise comply with the rules of the**
7 **Commission applicable to companies providing telecommunications services?**

8 **A. Yes. Net2000 will file its initial tariffs upon grant of certification and prior to the**
9 provision of services. Further, Net2000 will comply fully with the Commission's rules
10 for telecommunications service providers.

11 **Q. Will Net2000's rates for intrastate telecommunications services in Illinois be**
12 **competitive with other carriers providing similar services?**

13 **A. Yes. In general, the increasingly competitive nature of the telecommunications market**
14 requires that providers offer their services at competitive rates if they intend to succeed.
15 Moreover, Net2000's target customer base is primarily business users, a sophisticated
16 consumer group which will require a highly competitive offering from the company.

17 **Q. Will Net2000's proposed tariffs contain all other material terms and conditions**
18 **applicable to its provisioning of local exchange services?**

19 **A. Yes. All applicable terms will be set forth in Net2000's tariffs. These terms and**
20 conditions will be competitive and designed to ensure equitable treatment of customers in
21 Illinois.

1 **Q. How will Net2000 handle customer service matters?**

2 **A.** Net2000 has a comprehensive customer service operation, staffed by experienced
3 professionals to serve its telecommunications customers in Illinois and throughout the
4 United States. Net2000 provides an installation sales manager and customer care
5 representative to each new customer. The role of the installation manager is to manage
6 and oversee the implementation of the customer's telecommunications services. The
7 customer care manager is the primary point of contact for the customer after the initial
8 installation is complete. This affords each customer the convenience of regularly dealing
9 with the same representative. The customer care manager will notify the customer that
10 they may contact the Illinois Commerce Commission for assistance. The customer care
11 effort is complemented by our 24 hours per day, seven days per week service
12 management center, which is comprised of our customer response center and network
13 operations center. Our fully-integrated back office system allows our customer care
14 personnel to track customer problems proactively, assign repair work to the appropriate
15 technical teams and provide employees and management access to comprehensive reports
16 on the status of service activity. All service troubles must be called into the service
17 management center. The center will open a ticket, document all actions used to resolve
18 the problem, escalate and apply resources as appropriate, and close the issue completely,
19 keeping the customer informed as to progress until the matter is entirely resolved to the
20 customer's satisfaction.

1 **Q. Who will provide customer repair service for Net2000?**

2 **A.** Net2000's network operations center, located adjacent to our customer care personnel,
3 houses technical staff who monitor Net2000's network and switches. This center allows
4 Net2000 to remotely diagnose and correct problems or dispatch technicians.

5 **Q. Are you familiar with "slamming?"**

6 **A.** Yes.

7 **Q. What are the Company's policies with regard to slamming?**

8 **A.** Net2000 will comply fully with all Illinois rules and guidelines regarding changes to
9 subscribers' preferred carriers as well as federal mandates addressing this practice. It
10 will be Net2000's policy and practice to receive complete and proper authorization and
11 send adequate written notice in connection with switching a customer to Net2000's
12 service.

13 **Q. Is Net2000 requesting relaxed regulatory treatment?**

14 **A.** Net2000 will be a non-dominant, competitive provider of telecommunications services.
15 Net2000, therefore, requests that the Commission regulate it in the same relaxed fashion
16 extended to other similarly situated non-dominant carriers.

17 **Q. Is Net2000 requesting any waivers in its Application?**

18 **A.** Yes. Net2000 respectfully requests waiver of 83 Ill. Admin. Code Part 710, which would
19 require Net2000 to maintain its books pursuant to Uniform System of Accounts
20 ("USOA") principles. Net2000 currently maintains its books and records in accordance
21 with Generally Accepted Accounting Principles ("GAAP"). A complete change in

1 accounting methodologies or, in the alternative, maintenance of two sets of books would
2 be an inefficient and burdensome requirement. Because of the complications and
3 associated burdens this would engender and because the current GAAP-compliant
4 financial information provides the Commission with equally reliable information,
5 Net2000 requests that the Commission grant a waiver of the USOA requirement.

6 Net2000 further seeks a waiver of 83 Illinois Admin. Code 735.180. Net2000
7 will contract with the incumbent local exchange carrier to incorporate customers into
8 directories.

9 Consistent with 83 Ill. Admin. Code 250, Net2000 also requests a waiver of the
10 requirement that it keep its books, accounts, records and memoranda within the State of
11 Illinois. As Net2000's headquarters is located in Virginia and as Net2000 will be
12 operating in multiple states, maintaining its books and records in Illinois would be unduly
13 burdensome. Net2000 understands that it will be responsible for making these records
14 available to the Commission upon request and at its own expense.

15 **Q. Will Net2000 establish a working relationship with the 911 systems when Net2000**
16 **begins to provide local telephone service?**

17 **A.** Yes. Net2000 will maintain a 911 database with Net2000 customer information and
18 develop and maintain the relationship necessary to provide Net2000's customers
19 optimum access to the 911 infrastructure. Subscriber records are processed daily and
20 transmitted to the incumbent local exchange carrier in less than 24 hours.

1 **Q. Does Net2000's accounting system provide sufficiently detailed data for breakout of**
2 **interstate and intrastate revenues?**

3 **A.** Yes. Net2000 has the capability to breakout revenues by interstate and intrastate revenue
4 sources. Net2000 filed its 1999 Illinois Annual Gross Revenue Return with the
5 Commission on January 28, 2000 to pay tax on revenues generated from Net2000's
6 interexchange services. Revenues were reported for both interstate and intrastate sources.

7 **Q. Briefly describe how approval of Net2000's Application is in the public interest.**

8 **A.** Approval of Net2000's application is in the public interest because the company will
9 offer high quality, innovative services to its customers at competitive rates. This, in turn,
10 will increase competition in the market for telecommunications services in the State of
11 Illinois, leading over time to better service and more options for business customers in
12 Illinois.

13 **Q. Do you have anything further to add?**

14 **A.** No, I do not.

15 **Q. Does this conclude your testimony at this time?**

16 **A.** Yes, it does.